

Brief comments on livestock contribution to SA agricultural economy

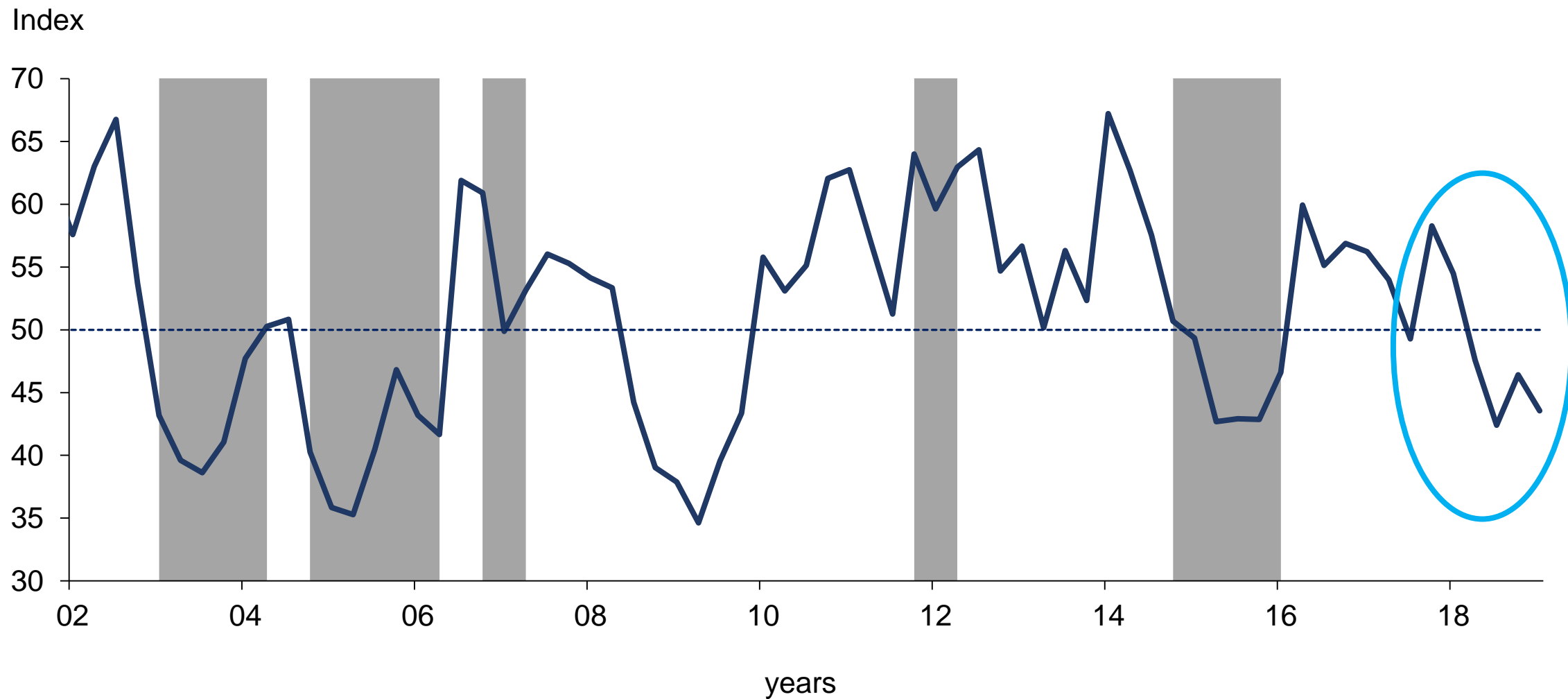
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Agricultural Writers SA

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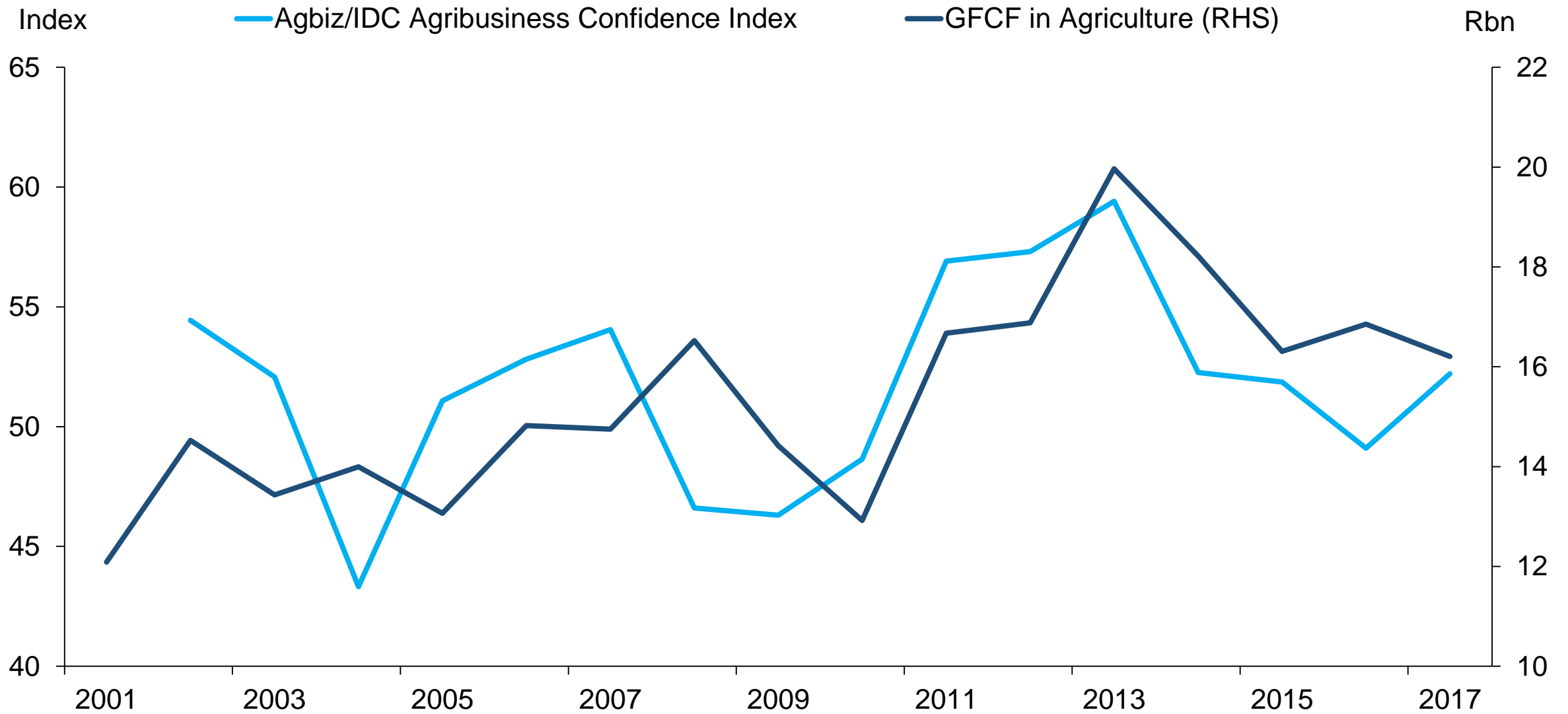


We are meeting at a period where there is despondency in SA agriculture sector



(Shaded areas indicate periods when rainfall across South Africa was below the average level of 500 millimetres)

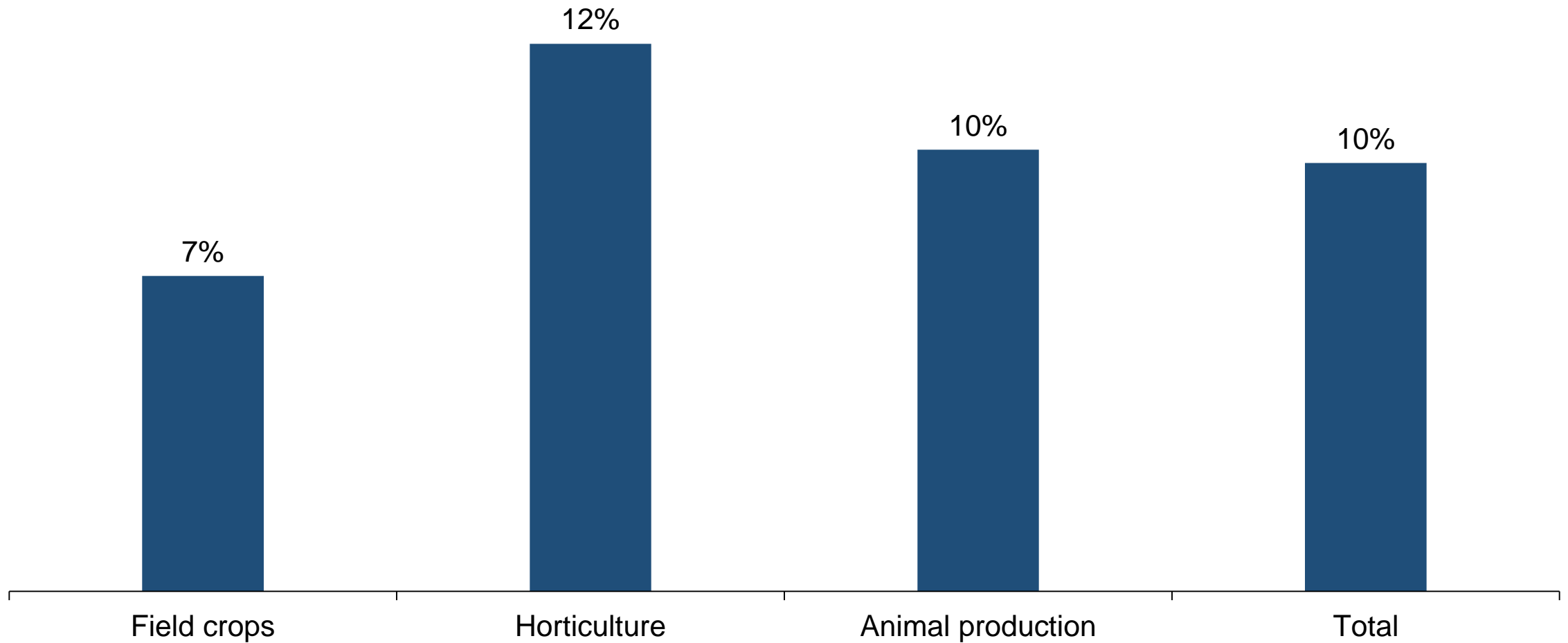
Luckily, investment has not declined yet in spite of many headwinds facing agri



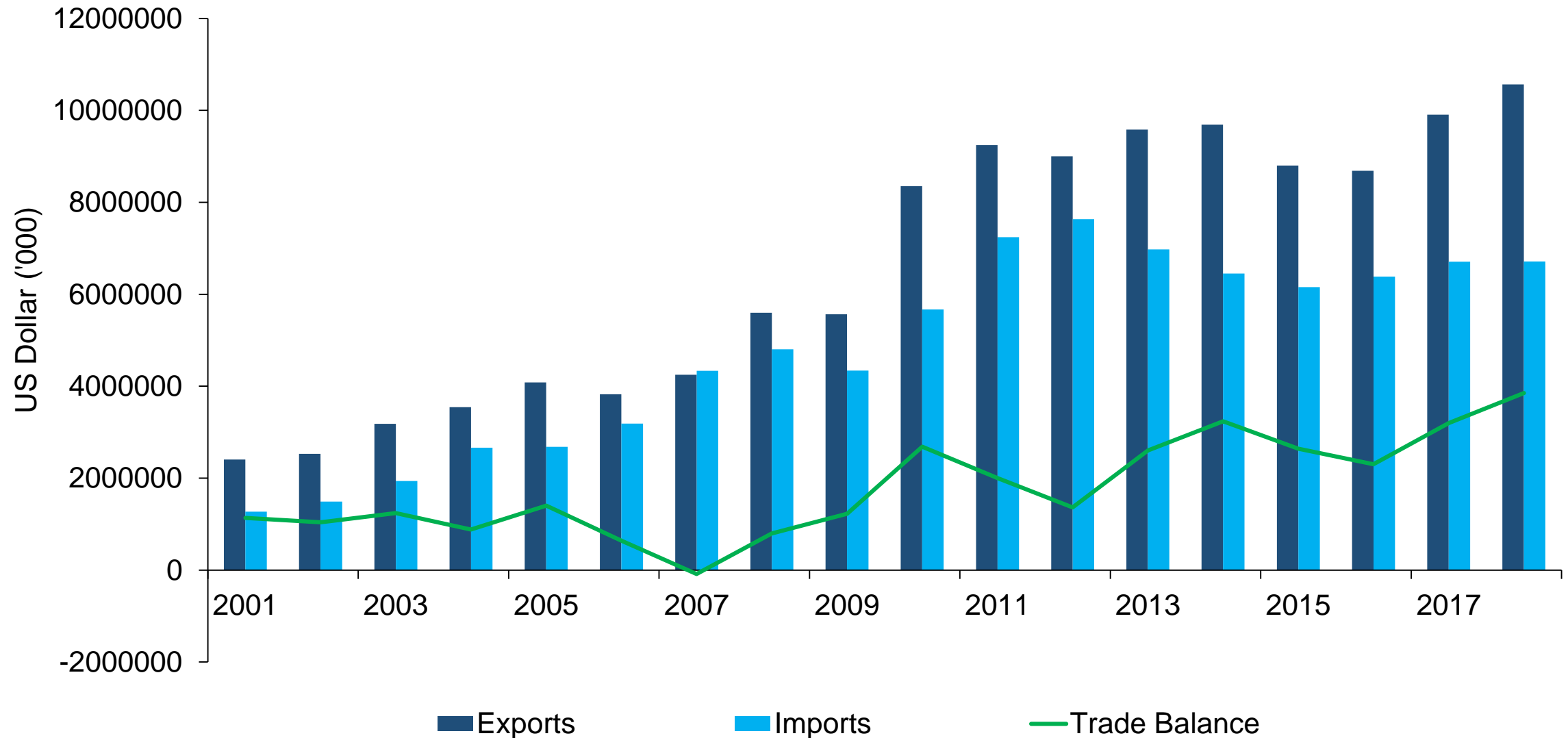
**There are still solid fundamentals to support investment in
SA agriculture**

Growth in value of different subsectors in SA agriculture

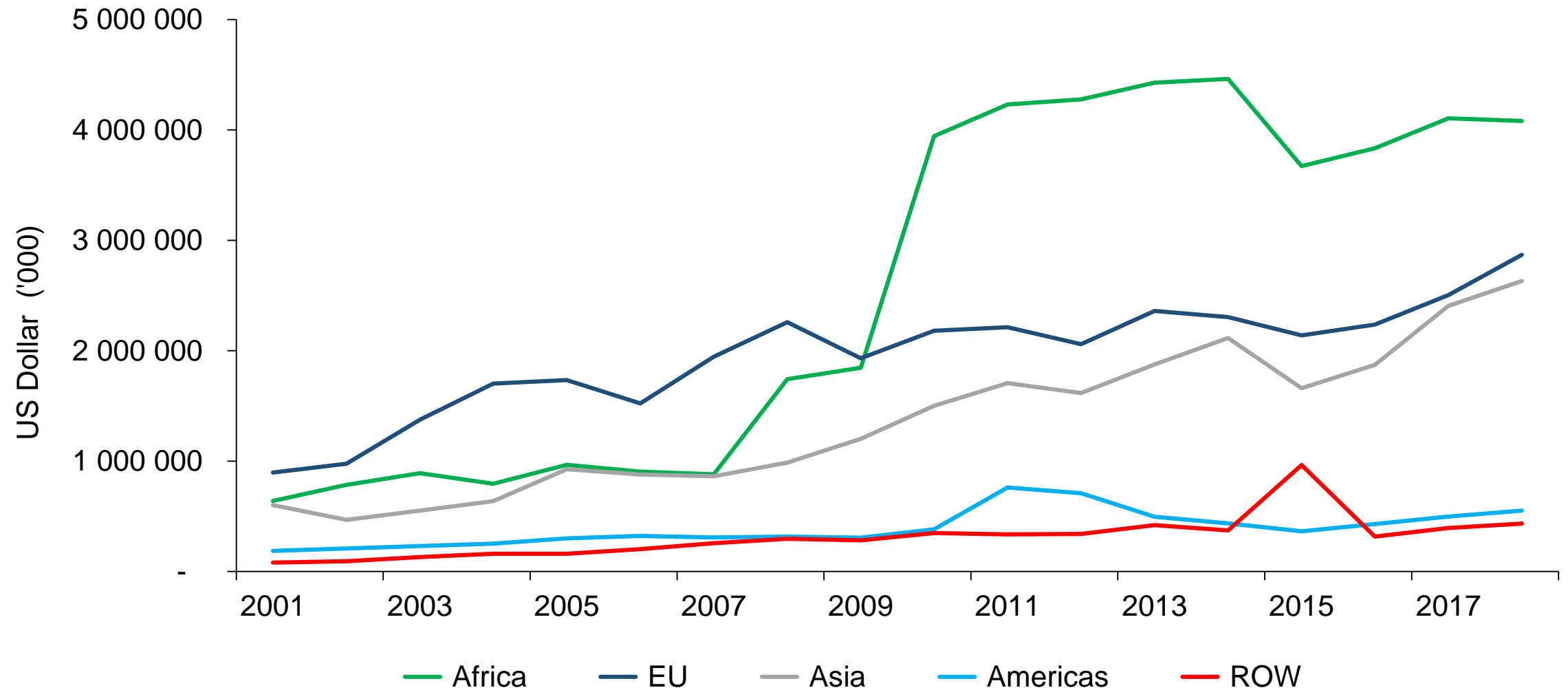
Average y-o-y growth (2012/13 – 2017/18)



There are solid fundamentals to support investment in SA agriculture



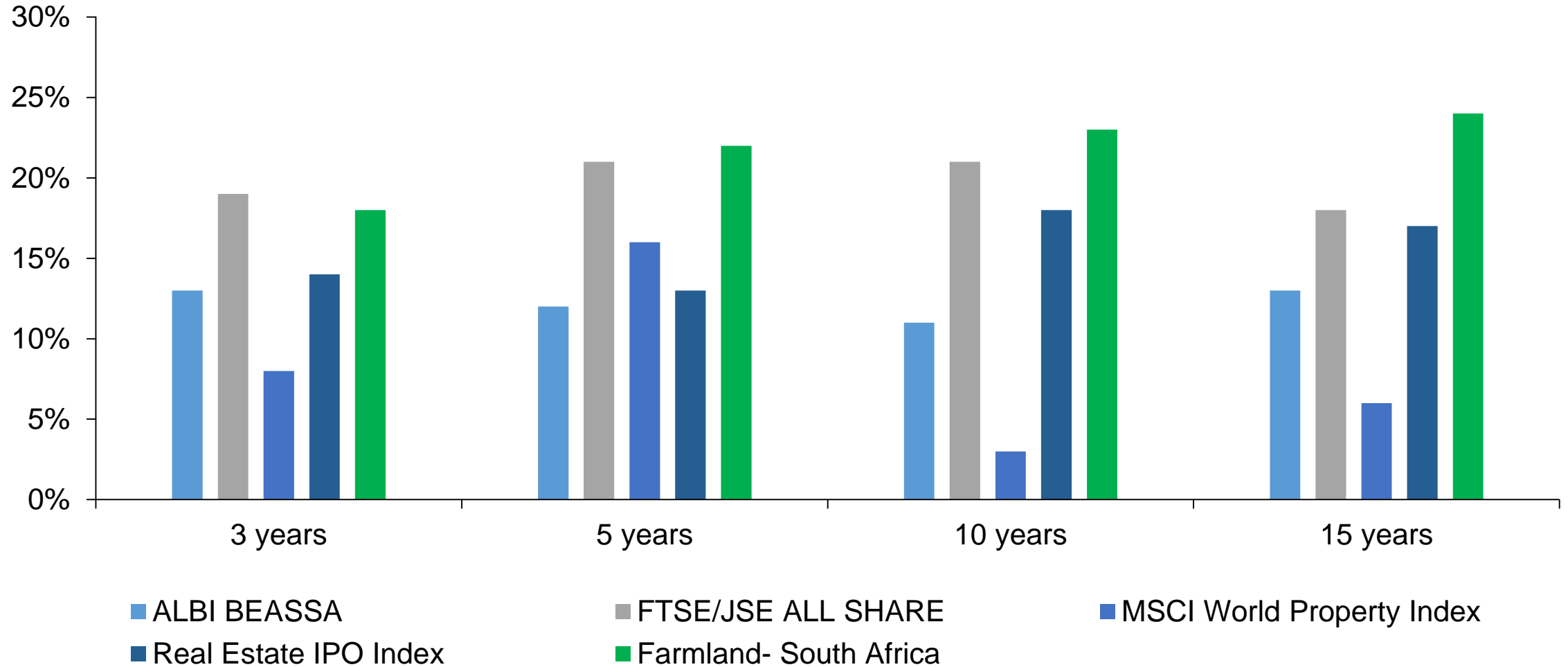
South Africa's agricultural exports by region



ROW represents Rest of the World

Good returns in SA agriculture over time

Average returns for various asset classes (1999-2014)

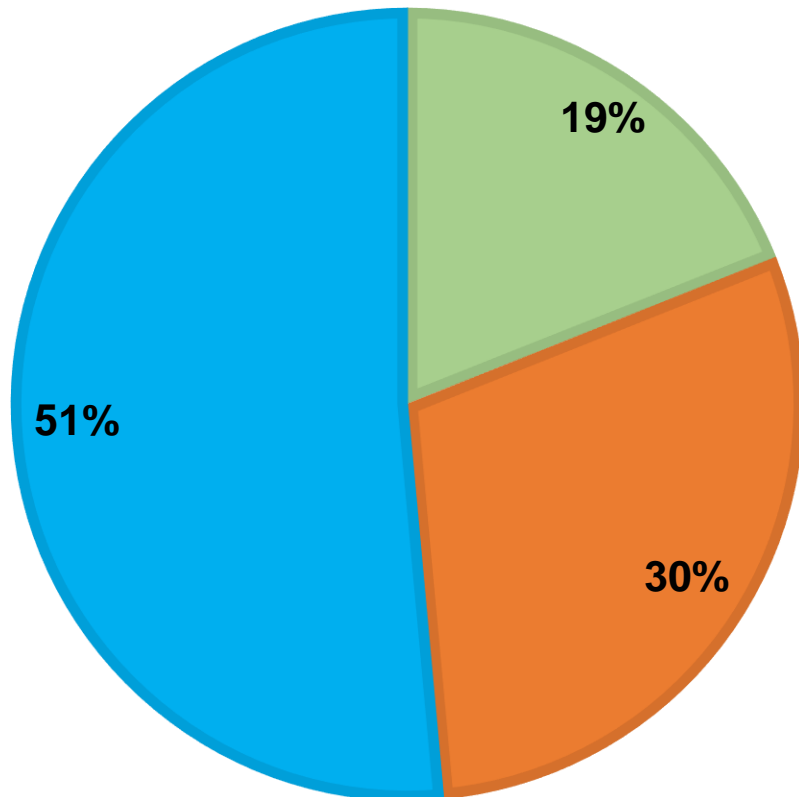


Now, where is the livestock in this broad agricultural picture?

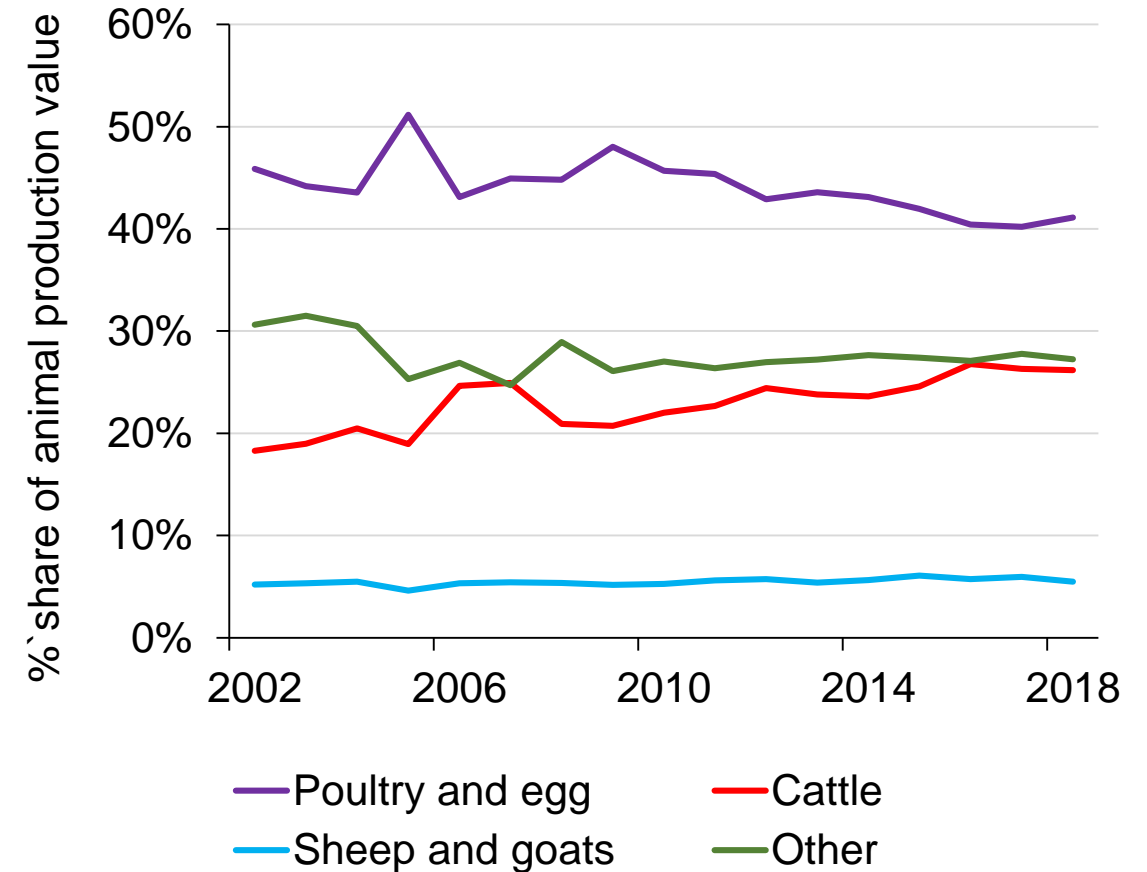
Animal production accounts for just under half of agri production: R142 bn (2018)

- Agricultural production value by subsector

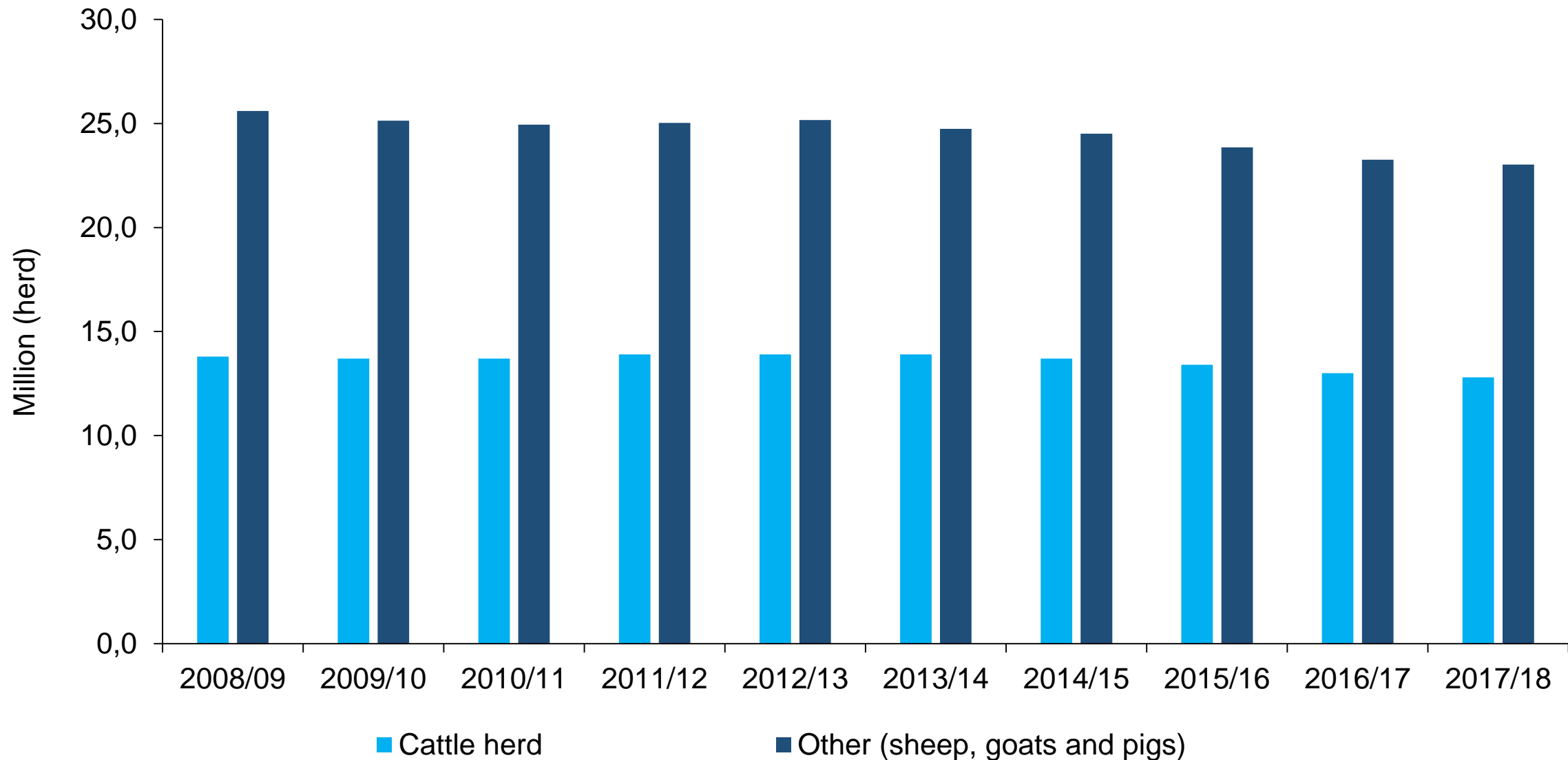
■ Field crops ■ Horticulture ■ Animal production



- Animal production share over time



Nevertheless, SA livestock hasn't fully recovered from 2015-16 drought

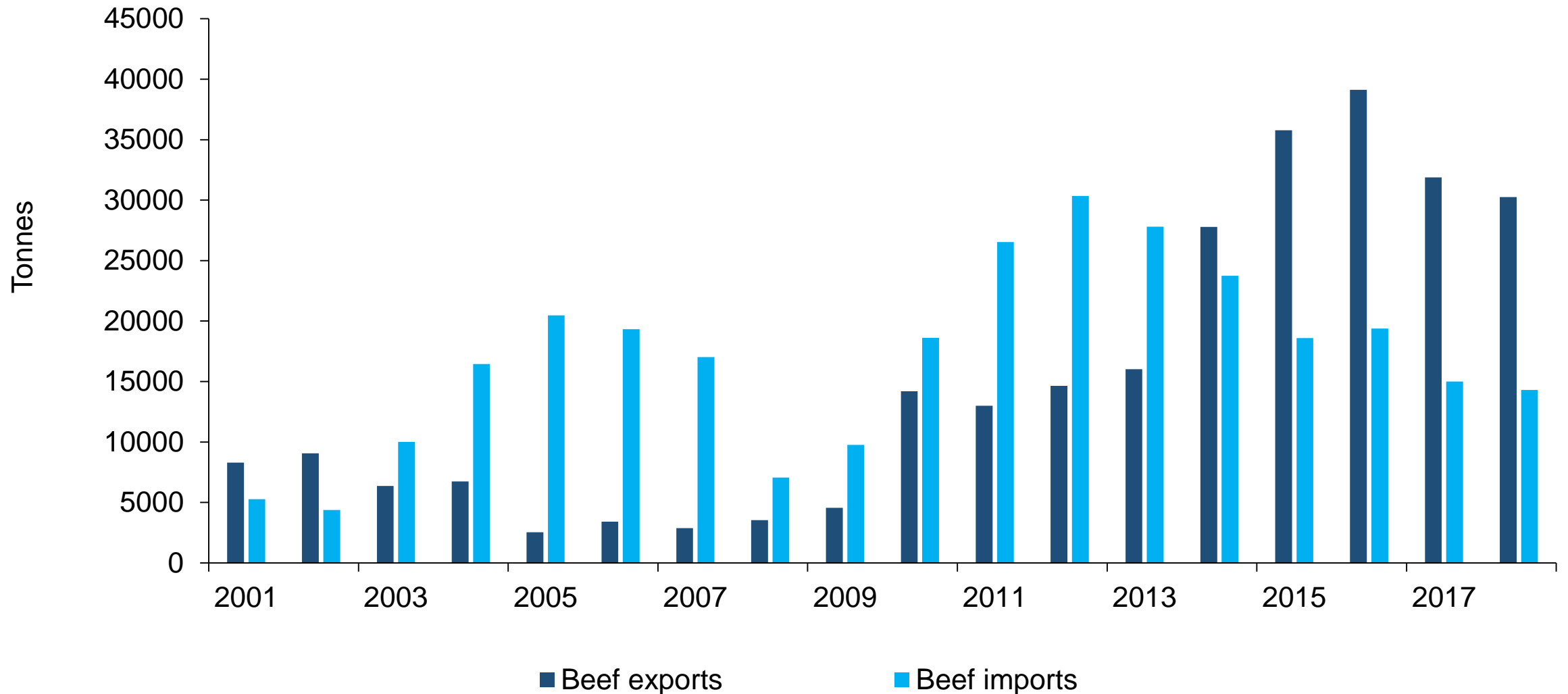


The focus on production is good, but there is need to also drive exports

Top 6 exported livestock and poultry products accounted for 7% of SA agricultural exports (US\$10.6 billion) in 2018. This number should increase.

- These were:
 - Wool
 - Beef (frozen and chilled)
 - Poultry products
 - Milk and cream
 - Cheese
 - Live cattle (excluding pure-bred for breeding)

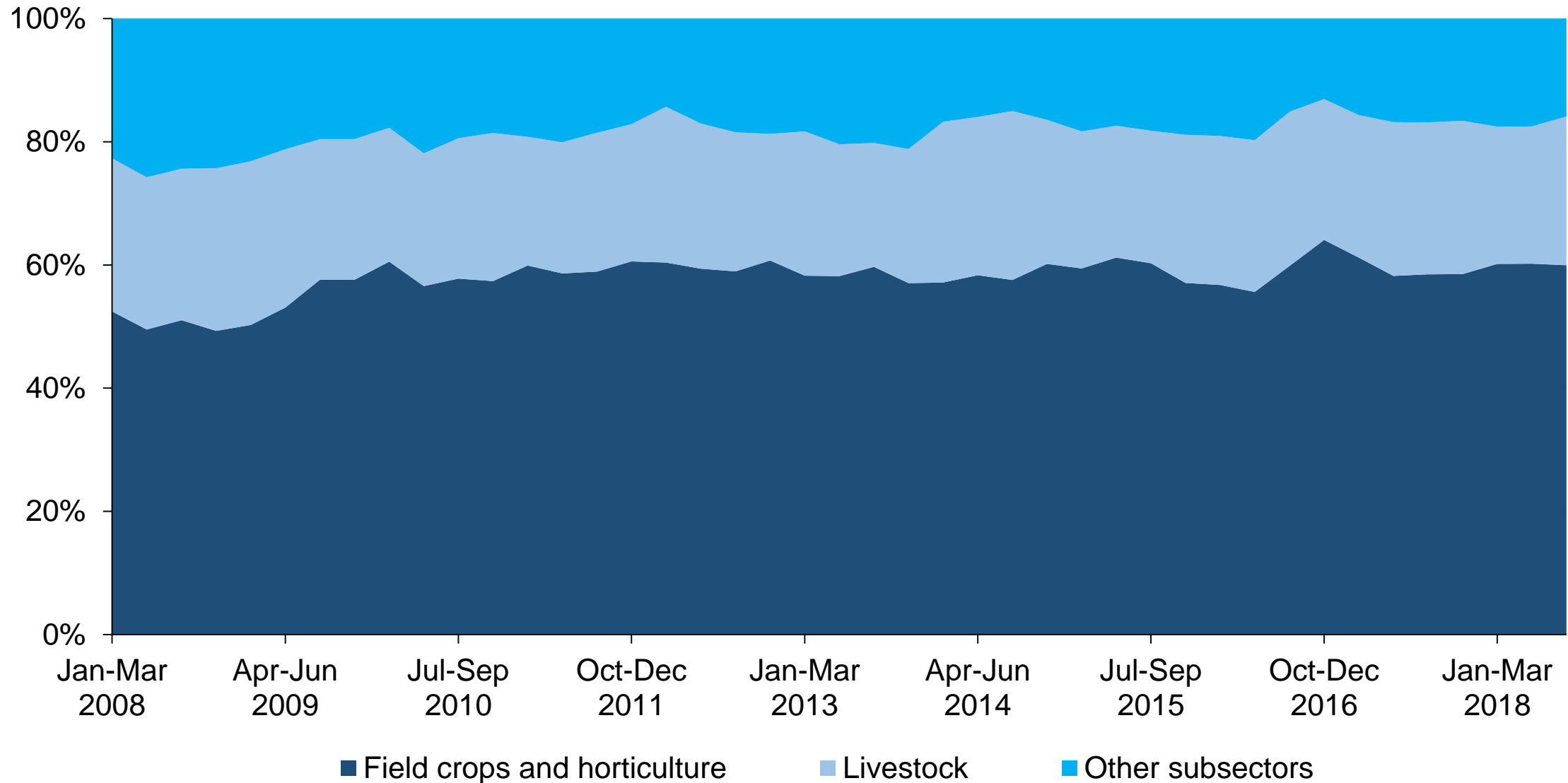
Beef has been a game changer over the recent past, but there is still room to grow



Wool is another subsector that is export orientated, with China being a key market



SA livestock, game and poultry also plays a crucial role in job creation



Closing remarks

- Agriculture has been identified as one of the sectors that will ignite growth and job creation in SA
 - This will be **export-led**, as SA agriculture already exports 49% of its agricultural output in value terms
 - For export activity to take off, **biosecurity** is key – we saw what happened in wool and beef recently
 - Earlier this morning, Minister Didiza made mention of potential allocation of capital to FMD red-zones so that the government can create capacity – hire veterinarians, etc
 - There will also be educational and awareness programmes that will help remind farmers about the importance of biosecurity
 - Agricultural Writers SA members, as key messengers, will have to sharpen their pens and continue to inform our societies about the importance of biosecurity

Thank you for your attention.

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